

Q&A on Public Act 91 of 2005

Governor Granholm signed Public Act 91 of 2005 into law. This law impacts qualified disabled veterans who bid on state contracts.

Q: What is Public Act 91?

A: Public Act 91 affords a pricing preference of up to 10% of the amount of the contract to a qualified disabled veteran. It establishes a goal of awarding 3% of total state expenditures for goods, services & construction to qualified disabled veteran-owned companies. In addition, it outlines the reporting requirements for the Department of Management & Budget to inform the legislature of the progress of state agencies in reaching their goals.

Public Act 91 was signed by Governor Granholm on July 20, 2005. The legislation went through both legislative chambers quickly, which highlights our elected officials' commitment to and gratitude for Michigan veterans.

***Public Act 91 gives
a 10% pricing
preference to
qualified service-
disabled veterans
competing for State
of Michigan
contracts.***

*To learn about current opportunities
to do business with Michigan, visit
their website at
www.michigan.gov/buymichiganfirst*

Q: How does the state define “Qualified Disabled Veteran”?

A: Public Act 91 defines “Qualified Disabled Veteran” as a business entity that is 51% or more owned by one or more veterans with a service-connected disability.

Public Act 91 defines “Service-Connected Disability” as a disability incurred or aggravated in the line of active military, naval, or air service as defined in 38 USC 101(16).

Q: What is Purchasing Operations’ role in implementing this legislation?

A: Purchasing Operations is the office in the Department of Management & Budget that buys goods and services on behalf of state agencies. In a nutshell, Purchasing Operations handles contract awards for goods and services valued at more than \$25,000.

Purchasing Operations has already started reaching out to service-disabled veterans, and has received a warm welcome from groups that serve the veteran community. Many veterans have offered advice based on their experiences dealing with federal government procurement programs for veterans.

Q: How does Purchasing Operations handle solicitations?

A: In a word – competitively.

At Purchasing Operations, a much different system is in place compared to six years ago. Every solicitation is competitively bid. Governor Granholm took bold action by issuing Executive Directive 2005-3, which effectively prohibited no-bid contracts. This prohibition became law with passage of Public Act 622 of 2006. The Purchasing Operations team shares the Governor's commitment to competition – it makes the contract process fair and open. In fact, Purchasing has saved taxpayers over \$500 million in competitive bid savings since 2004.

Purchasing Operations is also reaching out to traditionally under-represented groups of vendors in order to be more inclusive in state contracting.

Q: How will Public Act 91 impact the cost savings taxpayers have experienced since Governor Granholm enacted the no-bid contract prohibition?

A: This question assumes that veteran-owned businesses aren't competitive. Experience contradicts this assumption. Purchasing anticipates seeing an increase in participation by veteran-owned companies because of increased outreach and awareness as well as competitive bids and responsive proposals. And, Purchasing will continue to ask vendors to sharpen their pencils to give Michigan taxpayers the best value for state contracts.

Q: What should veteran-owned businesses do to bid on state awards?

A: Visit the "Buy Michigan First" Website as a starting point: www.michigan.gov/buymichiganfirst, selecting "Doing Business With the State" in the left navigation panel. The Website has a wide range of information. Businesses can register as state vendors, which is typically the first step and takes about 10-15 minutes.

To see current opportunities for bidding, select "Bids and Proposals" from the upper left corner of the site, and then select the area of proposals in which you are interested. Opportunities over \$25,000 are posted under "Commodities and Services," while construction bids are listed under "Design and Construction."

Q: Any final tips for those who want to win state contract awards?

A: Be Competitive – Be Complete – Be Timely.

Take advantage of the resources that exist to assist with procurement. Michigan businesses can benefit from the free services of Procurement Technical Assistance Centers (PTACs). These regional offices provide expert advice regarding everything from vendor registration to proposal submission. To find the PTAC near you, visit www.michigantac.org.